

Message Text

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ORIGIN OPIC-06

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 L-03 /055 R

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C O N F I D E N T I A L STATE 308354

FROM OPIC

E.O. 11652: GDS

TAGS: EFIN, EINV

SUBJECT:REVERE FILES FOR ARBITRATION OF OPIC CLAIM

1. REVERE ANNOUNCED DECEMBER 20 THAT IT HAS FILED WITH AMERICAN ARBITRATION ASSOCIATION A DEMAND FOR ARBITRATION OF ITS CLAIM UNDER ITS OPIC INSURANCE, STATING THAT OPIC HAS FAILED TO DETERMINE ITS CLAIMS WITHIN THE TIME LIMIT SPECIFIED IN THE INSURANCE CONTRACT.

2. TEXT OF OPIC AND REVERE PRESS RELEASES FOLLOW SEPTTEL.

3. BEGIN CONFID REVERE'S ARBITRATION FILING NOT UNEXPECTED,
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AS REVERE HAS TAKEN ISSUE IN THE PAST WITH OPIC POSITION THAT CONTRACTUAL TIME LIMITS ON CLAIM PROCESSING WERE UNDERSTOOD TO BE SUSPENDED DURING NEGOTIATIONS WITH SOUTH-WIRE. OPIC STILL HAS CONSIDERABLE FACT-FINDING AND ANALYSIS TO DO, AS OPIC EFFECTIVELY SUSPENDED CLAIM PROCESSING IN JUNE. IT IS LIKELY TO TAKE ABOUT TWO MONTHS BEFORE OPIC IS

IN A POSITION TO ISSUE A CLAIMS DETERMINATION. IF REVERE PRESSES, PRELIMINARY ARBITRAL STEPS (SELECTION OF PANEL, DISCOVERY PROCEEDINGS) MAY COMMENCE PRIOR TO OPIC'S DETERMINATION" RESULTING IN TIME DEMANDS THAT MAY FURTHER DELAY DETERMINATION.

4. OPIC HAS HEARD NOTHING FURTHER FROM AMBASSADOR RATTRAY CONCERNING POSSIBLE JAMAICAN INITIATIVES TO LINE UP FINANCING FOR REHABILITATION AND EXPANSION VENTURE WITH SOUTHWIRE AND REVERE. SUGGEST EMBASSY CONTACT APPROPRIATE GOJ OFFICIALS TO TRY TO GET SENSE OF WHAT JAMAICAN EMBASSY ROLE IS TO BE IN PURSUING ARRANGEMENT RE REVERE FACILITIES.

5. OPIC CONTINUES TO VIEW REVERE CLAIM WITH REAL CONCERN. WHATEVER THE OTHER FACTORS CONTRIBUTING TO REVERE'S UNHAPPY EXPERIENCE IN JAMAICA, THE GOJ'S ABROGATION OF ITS INVESTMENT AGREEMENTS WITH REVERE CANNOT BE IGNORED UNDER THE TERMS OF THE INSURANCE CONTRACT AND WOULD SURELY LOOM LARGE IF THE MATTER IS ULTIMATELY TO BE DECIDED BY ARBITRATORS.
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Message Attributes

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